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SUBJECT: BUILD MORE BRIDGES! AFGHAN BUSINESSMEN VISIT DUSHANBE

REF: KABUL 1629

DUSHANBE 00001512 001.2 OF 002

¶1. "You can select your friends, but not your neighbors," said Sharif Saidov, Tajikistan Chamber of Commerce and Industry Chairman (TCCI). "If your neighbor is calm, then you are calmer." The August 3 visit of Afghan businessmen to Dushanbe underscored the calm on both sides of the border and the potential for greatly expanded commercial relations. Four businessmen and two officials from the Department of Foreign Affairs in Kunduz, accompanied by the U.S. PRT officer and FSN in Kunduz, came north to reciprocate an April 6 visit made by a Tajik business delegation and EmbOffs (Reftel). Following on the heels of the July 27 bilateral summit in Dushanbe, Afghans and Tajiks participants repeated the comments of Presidents Rahmonov and Karzai about the bonds of language and culture that connect their countries, and how trade relations could improve the prosperity and security of both countries.

¶2. "We are not maximizing our potential," noted Saidov, after welcoming his Afghan "brothers" to their "motherland." Statistics show Tajik-Afghan trade consists mainly of small numbers of shuttle traders crossing the border with consumer goods. In an hour-long meeting, he proposed more joint roundtables and exhibitions to stimulate bilateral trade. Saidov noted that the Tajik parliament had passed a law in 1998 making foreign investment and international trade easier, and that if Tajikistan developed its hydropower potential, it would have plenty of electricity to export to Afghanistan. "Tajikistan has some of the same reconstruction challenges as Afghanistan," he observed, describing the declining cotton harvest and struggling agricultural economy. "Consider the TCCI your point of contact in Dushanbe," he offered, handing the visitors an English-language list of Tajik companies interested in doing business with the Kunduz representatives. The Afghan Deputy Trade Attachi noted that several of the companies on the TCCI list were already active in Afghanistan, and the Tajik-Afghan business council had 75 small businesses in Dushanbe.

¶3. The Afghan delegation echoed Saidov's comments about peace leading to economic growth and the need to improve trade. "In

1984, we exported raisins to the Tajik Consumer Union," remembered the Head of the Kunduz Chamber of Commerce." Years of war had cut the commercial ties, and the economic base fueling them. "Our goals are now the same: cross border trade." He and Saidov agreed the U.S.-funded bridge at Nizhniy Pyanj, due to open in Summer 2007, would dramatically increase the potential for large scale trade and commerce, but even more bridges were needed to connect other parts of Afghanistan and Tajikistan.

¶4. In a meeting hosted by the Dushanbe Construction Association, the lively discussion focused on the practical aspects of cross-border commerce. "Can anyone get me 5000 tons of diesel?" asked a Kunduz plastics producer. "What kind of banks can we use for transactions? Will a letter of credit suffice?" asked another businessman. Given the demand for reconstruction in Afghanistan, the groups acknowledged the possibility of construction contracts, "not just one bulldozer, but a sustained supply of steel, cement and equipment."

¶5. However, corruption and bureaucracy on both sides of the border posed barriers. Afghans and Tajiks also cited the lack of a trucking network as slowing trade--each individual driver and truck owner negotiated his own price. Both countries have to import most raw materials, adding to costs. Tajiks noted the lack of insurance for vehicles operating in Afghanistan, and Afghans complained how hard it is to get a Tajik visas. In practice, such restrictions can mean goods have to be off-loaded from Tajik trucks and re-loaded onto Afghan trucks, or vice versa, costing the traders time and money. (COMMENT: International donors have been telling the Tajik government for years the restrictive, and somewhat arbitrary visa regime impedes business. END COMMENT.)

¶6. After lunch, a visit to a small metal construction workshop left the Afghans observing that they already produced similar products in Kunduz, thus eliminating any interest in imports. (NOTE: During the April 6 visit in Kunduz, the Tajiks similarly

DUSHANBE 00001512 002.2 OF 002

responded to visits to a flour factory and cotton processing facility, both of which exist at the same level of capacity and quality in Dushanbe. END NOTE.) The groups parted by reaffirming their potential, and a few businessmen exchanged contact information with their Tajik counterparts.

¶7. The visit was a day trip. The Afghans departed Kunduz in the early morning, crossed the temporary bridge at the U.S. construction site, and arrived in Dushanbe three hours later. After five hours of meetings, they headed back the same route. The Afghan delegation included: Haji Abdul Rasul, Chief of Kunduz Chamber of Commerce and head of Faiaz Ltd (exports and imports carpet and other goods from Turkey); Mir Agha, head of Amiri CC (building construction materials imports); Ahmadshah, Chief of Turk Slayman Ltd, (vehicles and vehicle parts imports and exports); and Akhtar Mohammad, Nisar Plastic; as well as Abdul Ghafar Sadid and Said Zamarudin from the Department of Foreign Affairs in Kunduz. The Construction Association was represented by several Dushanbe constructions firms, including Sangreza Ltd, whose owner, Saobiddin Zayniddinov, participated in the April 6 trip to Kunduz and has been particularly eager to help set up trade in construction materials and aggregates.

¶8. COMMENT: It was a small step, but it was forward motion. This day-long visit not only provided an opportunity for cross-border networking, but also highlighted how much goodwill and desire exists on both sides to help each other develop economically. The Afghan Embassy retains two commercial attaches in Dushanbe, and both have enthusiastically embraced U.S. efforts to promote Afghan-Tajik relations. Embassy Dushanbe looks forward to continued cooperation with PRT Kunduz, as well as the possibility of working with other PRTs looking to expand local ties with Tajikistan. END COMMENT.
HUSHEK